



September 28, 2006

TO: Transportation Authority of Marin Commissioners

FROM: Dianne Steinhauser, Executive Director

RE: FY 2006-07 TAM Budget Amendment, Agenda Item 5e

Dear Commissioners:

Executive Summary

The TAM Budget for FY 2006-07 was adopted in June 2006. At the time of adoption, the funds TAM receives from Regional Measure 2 for the Greenbrae Corridor projects were not listed in the budget. Without the funds being listed, TAM staff are precluded from authorizing actual expenditures of these funds. The RM2 funds have been approved under previous actions of the TAM Board, and authorized by MTC. TAM seeks to add the RM 2 funds to the budget.

Since the adoption of the budget, TAM staff have experienced an increased cost estimate for TAM to purchase and install a server system with attendant storage for backing up TAM files. The cost of the server is estimated at \$32,000, approximately \$24,000 greater than the amount originally budgeted for the server. The new server was intended to be installed when TAM relocated to permanent office space in the fall of FY 2006-07. Due to a delay in securing permanent office space, the server will be acquired and installed prior to the move to better meet the needs of the staff currently located at the TAM offices at 70 San Pablo. The server and attendant equipment will be relocated to TAM's new office space once TAM moves. To address the increase in equipment costs, and to recognize the delay in securing permanent office space, at this time, staff recommends reducing the office lease line item by \$24,000 and increasing the equipment line item by \$24,000.

The amendment is consistent with TAM's 2006-07 Workplan and the TAM Strategic Plan.

Recommendation: Approve the resolution amending the FY 2006-07 TAM Budget. This amendment includes revenues and expenditures for the Regional Measure 2 program and modifies expenditures for office lease and equipment.

Background

Article VI, Section 106.1 of the TAM Administrative Code requires that the Board shall adopt the annual budget for the ensuing fiscal year no later than the Authority's June meeting. The Administrative Code further requires that all expenditures in excess of the designations and limitations of the approved Annual Budget shall be made only upon the approval of not less than

a majority of the Commissioners. The FY 2006-07 Annual Budget was approved by the TAM Board on June 22, 2006. Since the adoption of the Annual Budget in June 2006, new information has become available requiring an amendment to the budget.

Regional Measure 2 Program

The Regional Measure 2 program is funded by an additional \$1.00 charge on State owned bridges in the Bay Area and is administered by the Metropolitan Transportation Commission. In Marin County, TAM is the sponsoring agency for all four projects and is the implementing agency for the initial phase of the Greenbrae Corridor Improvement Project. The County of Marin is the implementing agency for the CalPark Hill Tunnel project which is in the design phase. The City of Larkspur is the implementing agency for the East Sir Francis Drake Boulevard improvement project which has been recently completed.

The adopted annual budget included revenues and expenditures for TAM staff time for project management for the RM2 program, but it did not include the direct expenditures and pass through costs for project implementation. This budget amendment includes the following changes related to the RM2 program. Current RM2 allocations are in place to reimburse these project expenditures:

- Increase Travel/Meeting/Conferences by \$2,500 to reflect the travel and meeting expenses incurred by TAM staff in administering the RM2 program. These expenses are reimbursable through the RM2 program.
- Increase Professional Services for the Greenbrae Corridor project by \$1,600,000 for the services under contract for implementation of this project.
- Add \$1,050,000 in Interagency Agreements for the County of Marin's implementation of the CalPark Hill Tunnel project.
- Add \$810,000 in Interagency Agreements for the City of Larkspur for implementation of the East Sir Francis Drake Boulevard improvements project.
- Increase RM2 revenues by \$3,462,500.

Equipment Needs

In July 2006, TAM engaged the services of an Information Technology consultant to assist in identifying the technology needs of the organization, and acquiring and installing computer equipment. The consultant has recommended that TAM acquire a server that will meet current and future needs as the agency grows and moves to independent office space. The cost of the server is estimated at \$32,000, approximately \$24,000 greater than the amount originally budgeted for the server. The new server was intended to be installed when TAM relocated to permanent office space in the fall of FY 2006-07. Due to a delay in securing permanent office space, the server will be acquired and installed prior to the move to better meet the needs of the staff currently located at the TAM offices at 70 San Pablo.

The FY 2006-07 budget includes office lease expense based on securing permanent space in September 2006, or ten months of lease payments, and \$98,000 for ADA compliance and tenant improvements. These estimates were based on the office site being pursued in March 2006. Subsequent discussions with the building owner indicate that a number of additional costs would need to be factored into the cost of the office space, and those costs had not been budgeted. Due to the increased cost of the office site, in July 2006 the TAM Executive Committee authorized the Executive Director to continue her search for office space.

To address the increase in equipment costs, and to recognize the delay in securing permanent office space, at this time, staff recommends reducing the office lease line item by \$24,000 and increasing the equipment line item by \$24,000. The ongoing use of office space at 70 San Pablo and the cost of a new lease at some point during the fiscal year is expected to be less than the current and amended budget amount for the office lease line item. Therefore, the reduction in the line item expenditure should not pose significant risk.

Summary of the Amended Budget

A summary of the proposed amendment to the FY 2006-07 Annual Budget is included in Attachment A.

Future Budget Amendments

A mid-year budget adjustment will be presented to the Board for approval when the FY 2005-06 audited financial statements are available. The audited financial statements, which are expected to be complete in November/December, will provide accurate carry forward amounts for the FY 2006-07 budget.

Recommendation

Staff recommends approval of the attached resolution adopting the FY 2006-07 Budget Amendment.

Attachments: FY 2006-07 Budget Amendment
TAM Resolution No. 2006-16

Transportation Authority of Marin

Proposed FY 2006-07 Budget Amendment

	Adopted FY 06-07	Amended FY 06-07	Change
REVENUE			
Prior Year Carry Forward¹	\$6,645,296	\$6,645,296	\$0
Cities and Counties	\$430,000	\$430,000	\$0
Interest Earned	0	0	0
STP/CMAQ/T-Plus (MTC)	390,000	390,000	0
STIP/PPM	24,000	24,000	0
STP One-Time	130,000	130,000	0
BAAQMD	619,164	619,164	0
RM2	250,000	3,712,500	3,462,500
Community Based Transportation	60,000	60,000	0
TDA Article 3	77,050	77,050	0
MSN Federal Earmark	253,886	253,886	0
Measure A (net of BOE fees)	19,503,000	19,503,000	0
Measure A Bond Proceeds/Credit	0	0	0
Total Revenue Available	\$28,382,396	\$31,844,896	\$3,462,500
EXPENDITURES			
Administration			
Salaries & Benefits	\$1,278,462	\$1,278,462	\$0
Office Lease	210,500	186,500	-24,000
Furniture	79,500	79,500	0
Equipment	20,000	44,000	24,000
Telephone	14,300	14,300	0
Office Supplies	20,000	20,000	0
Insurance	5,000	5,000	0
Audit	12,000	12,000	0
Legal	20,000	20,000	0
Accounting/Payroll	10,000	10,000	0
Document Reproduction	10,000	10,000	0
Memberships	10,000	10,000	0
Travel/Meetings/Conferences	15,000	17,500	2,500
Line of Credit	0	0	0
Subtotal, Administration	\$1,704,762	\$1,707,262	\$2,500
Professional Services			
CMP	\$120,000	\$120,000	\$0
T-PLUS	74,500	74,500	0
PMO Consultant	402,633	402,633	0
Community Based Transit	54,000	54,000	0
Bike Planning	77,050	77,050	0

MSN Hot Lane Follow Up Study	150,000	150,000	0
State Legislative Assistance	35,000	35,000	0
Financial Advisor	35,000	35,000	0
HR/IT/Board Support	55,000	55,000	0
Consulting Pool	24,853	24,853	0
Hwy 101/Greenbrae	0	1,600,000	1,600,000
Subtotal, Professional Services	\$1,028,036	\$2,628,036	\$1,600,000
Measure A Programs			
Reserve	\$1,032,150	\$1,032,150	\$0
Project Management	765,000	765,000	0
Strategy 1 - Transit	8,945,389	8,945,389	0
Strategy 2 - Gap Closure	1,490,732	1,490,732	0
Strategy 3 - Streets & Rds	4,810,190	4,810,190	0
Strategy 4 - Safe Routes	1,295,000	1,295,000	0
Subtotal, Measure A Programs	\$18,338,461	\$18,338,461	\$0
Interagency Agreements			
TFCA	\$601,252	\$601,252	\$0
Larkspur RM2	0	810,000	810,000
County RM2	0	1,050,000	1,050,000
Subtotal, Interagency Agreements	\$601,252	\$2,461,252	\$1,860,000
Total Expenditures	\$21,672,511	\$25,135,011	\$3,462,500
Surplus/Deficit	\$6,709,885	\$6,709,885	\$0

Notes:

1. Prior year carryforward consists of Measure A revenues with restricted uses per the Expenditure Plan and Strategic Plan.

TAM RESOLUTION NO. 2006-16

**RESOLUTION AMENDING THE
TRANSPORTATION AUTHORITY OF MARIN'S FY 2006-07 BUDGET**

WHEREAS TAM adopted the FY 2006-07 Annual Budget on June 22, 2006, and

WHEREAS TAM Administrative Code Article VI, Section 106.1 requires that all expenditures in excess of the designations and limitations of the approved Annual Budget shall be made only upon the approval of not less than a majority of the Commissioners, and

WHEREAS updated revenues and expenditures for the Regional Measure 2 program are available and need to be amended into the TAM FY 2006-07 Annual Budget, and

WHEREAS updated expenditure information is available for equipment needs and office lease expenses, and

WHEREAS staff proposes to amend the FY 2006-07 Annual Budget to reflect the inclusion of Regional Measure 2 program revenues and expenditures and the equipment and office lease needs, and

WHEREAS the proposed FY 2006-07 budget amendment is consistent with the TAM's FY 2006-07 Annual Work Plan and the Measure A expenditures in the adopted Strategic Plan, and

WHEREAS estimated revenues exceed estimated expenditures in the proposed FY 2006-07 budget as amended.

NOW THEREFORE BE IT RESOLVED that TAM approves the Amended FY 2006-07 Annual Budget shown as Attachment A.

PASSED AND ADOPTED at a regular meeting of the Transportation Authority of Marin held on the 28th day of September 2006, by the following vote:

AYES:

NOTES:

ABSENT:

Steve Kinsey, Chair
Transportation Authority of Marin

ATTEST:

Dianne Steinhauser